

## **DUTY-FREE ENTRY**

[CT, FP –NR&D, FP – R&D, CIS, LH/T&M, CREI – 09/04] [FAR 52.225-8 – 02/00]

- (a) Definition. "Customs territory of the United States" means the States, the District of Columbia, and Puerto Rico.
- (b) Except as otherwise approved by JPL, the Contractor shall not include in the Subcontract price any amount for duties on supplies specifically identified in the Schedule to be accorded duty-free entry.
- (c) Except as provided in paragraph (d) of this clause or elsewhere in this Subcontract, the following procedures apply to supplies not identified in the Schedule to be accorded duty-free entry:
  - (1) The Contractor shall notify the JPL in writing of any purchase of foreign supplies (including, without limitation, raw materials, components, and intermediate assemblies) in excess of \$10,000 that are to be imported into the customs territory of the United States for delivery under this Subcontract, either as end products or for incorporation into end products. The Contractor shall furnish the notice to JPL for submission to the Contracting Officer at least 20 calendar days before the importation. The notice shall identify the:
    - (i) Foreign supplies;
    - (ii) Estimated amount of duty; and
    - (iii) Country of origin.
  - (2) The Contracting Officer will determine whether any of these supplies should be accorded duty-free entry, will notify JPL, and JPL in turn will notify the Contractor within 10 calendar days after receipt of the Contractor's notification.
  - (3) Except as otherwise approved by the JPL, the Subcontract price shall be reduced by (or the allowable cost shall not include) the amount of duty that would be payable if the supplies were not entered duty-free.
- (d) The Contractor is not required to provide the notification under paragraph (c) of this clause for purchases of foreign supplies if:
  - (1) The supplies are identical in nature to items purchased by the Contractor or any First-tier Subcontractor in connection with its commercial business; and
  - (2) Segregation of these supplies to ensure use only on Government Subcontracts containing duty-free entry provisions is not economical or feasible.
- (e) The Contractor shall claim duty-free entry only for supplies to be delivered under this Subcontract, either as end products or incorporated into end products, and shall pay duty on supplies, or any portion of them, other than scrap, salvage, or competitive sale authorized by the JPL, diverted to nongovernmental use.
- (f) JPL agrees to request that the Government execute any required duty-free entry certificates for supplies to be accorded duty-free entry and will assist the Contractor in obtaining duty-free entry for these supplies.
- (g) Shipping documents for supplies to be accorded duty-free entry shall consign the shipments to the National Aeronautics and Space Administration, Jet Propulsion Laboratory. The documents shall include the following information:
  - (1) Delivery address of the JPL;
  - (2) Government prime contract number and JPL First-tier Subcontract number
  - (3) Identification of carry and bill of lading/air waybill number;
  - (4) The Notation "UNITED STATES GOVERNMENT, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION. \_\_\_\_\_ Duty-free entry to be claimed pursuant to Item No. 9808.00.8000 Tariff Schedules of the United States (19 U.S.C. 1202). Upon arrival of shipment at port of entry, District Director of Customs, please release shipment under 19 CFR part 142 and notify JPL for execution of Customs Forms 7501 and 7501-A and any required duty-free entry certificates.";
  - (5) Gross weight in pounds (if freight is based on space tonnage, state cubic feet in addition to gross shipping weight); and
  - (6) Estimated value in United States dollars.

- (h) The Contractor shall instruct the foreign supplier to:
  - (1) Consign the shipment as specified in paragraph (g) of this clause;
  - (2) Mark all packages with the words "UNITED STATES GOVERNMENT, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, JET PROPULSION LABORATORY" and
  - (3) Include with the shipment at least two copies of the bill of lading (or other shipping document) for use by the District Director of Customs at the port of entry.

As soon as possible but in no circumstance later than at time of shipment, the Contractor shall provide copies of all shipping documents (including invoice and bill of lading/air waybill) via facsimile transmission to the Supervisor, JPL Receiving and Shipping so that process for duty-free entry can begin.

- (i) The Contractor shall provide written notice to the Supervisor, Receiving, and Shipping immediately after notification that duty-free entry will be accorded foreign supplies or, for duty-free supplies identified in the Schedule, upon award by the Contractor to the overseas supplier. The notice shall identify the:
  - (1) Foreign supplies;
  - (2) Country of origin;
  - (3) Government prime contract number and JPL First-tier Subcontract number
  - (4) Scheduled delivery date(s).
- (j) The Contractor shall include the substance of this clause in any First-tier Subcontract if:
  - (1) Supplies identified in the Schedule to be accorded duty-free entry will be imported into the customs territory of the United States; or
  - (2) Other foreign supplies in excess of \$10,000 may be imported into the customs territory of the United States.